DOCUMENT RESUME

ED 066 922 EM 010 311

TITLE	The Spencer Foundation Annual Report 1972.
INSTITUTION	Spencer Foundation, Chicago, Ill.
PUB DATE	31 Mar 72
NOTE	40p.
EDRS PRICE	MF-$0.65 HC-$3.29
DESCRIPTORS	Annual Reports; Educational Change; Educational Finance; *Educational Improvement; *Educational Research; *Foundation Programs
IDENTIFIERS	Spencer Foundation

ABSTRACT

The Spencer Foundation, which began its work in 1970, is dedicated to enhancing the applicability of theory and research findings to educational practice. The projects supported by the foundation, including seed money to attract young researchers to educational problems, direct support of disciplined studies, and a small amount of direct support for institutional development, are listed in this annual report for 1972. (RH)

ED 066922

The Spencer Foundation

Annual Report 1972

U.S. DEPARTMENT OF HEALTH,
EDUCATION & WELFARE
OFFICE OF EDUCATION
THIS DOCUMENT HAS BEEN REPRODUCED EXACTLY AS RECEIVED FROM THE PERSON OR ORGANIZATION ORIGINATING IT. POINTS OF VIEW OR OPINIONS STATED DO NOT NECESSARILY REPRESENT OFFICIAL OFFICE OF EDUCATION POSITION OR POLICY

FILMED FROM BEST AVAILABLE COPY

EM 010 311

The Spencer Foundation

The Spencer Foundation
John Hancock Center
875 North Michigan Avenue
Chicago, Illinois 60611

Annual Report **1972**

for the fiscal year ended
March 31, 1972

Board of Directors 1972

Charles Dollard, Chairman
Ralph W. Tyler, Vice-Chairman
Frank L. Bixby
Harlowe E. Bowes
Jacob W. Getzels
H. Thomas James
T. Vincent Learson
Donald C. Platten
Farwell Smith
Catherine M. Spencer

Officers of Administration 1972

H. Thomas James, President
Marion M. Faldet, Secretary

Contents

Lyle Spencer 4
The President's Comments..... 6
Report of the Secretary.....10
The Foundation Program.....12
Financial Review
Auditors' Report 24
Financial Statements 25
List of Grants 36

Lyle Spencer

Lyle Manly Spencer was born in Atlanta, Georgia, in 1911, the son of a college professor and administrator. He was educated at the University of Washington and at the University of Chicago, concentrating in sociology at both institutions. In 1938, while still a graduate student at Chicago, he and a colleague founded Science Research Associates, which eventually became one of the country's leading publishers of educational tests and curriculum materials. Spencer served as president of SRA from its founding until his death in 1968. During the last two years of his life he also served as a director of International Business Machines Corporation, which had acquired SRA in 1964.

Lyle Spencer always exhibited great interest in the educational process. On several occasions he described himself as "a businessman looking in over the rim of education." He was on the boards of trustees of a number of universities, one of which he served as chairman, and devoted a great deal of time and energy to this work. During his lifetime his major philanthropic gifts were made in the field of education, and in notes found after his death he expressed the feeling that since the Spencer family money had been earned in educational publishing, it would make sense "that much of this money should be returned eventually to investigating ways in which education can be improved around the world."

It was to this end, then, that in 1962 he founded the Spencer

Foundation and through it made gifts totaling $663,394 from 1962 to the end of fiscal 1970. Upon his death in 1968 he bequeathed to the foundation the bulk of his estate. By September 1970 the first distributions from the estate were received, enabling the foundation to begin its major work. Investment management firms selected and supervised by the board of directors began diversifying the endowment, which had come to the foundation almost entirely in International Business Machines stock. On March 31, 1971, the end of the fiscal year, the market value of the foundation's assets was slightly over 44 million dollars. In addition on that date the estate held for eventual distribution to the foundation other assets worth approximately 34 million dollars.

On September 1, 1970, H. Thomas James, formerly dean of the School of Education of Stanford University, became the first full-time president of the Spencer Foundation.

The President's Comments

An Interaction Model for Theory and Practice in Education

A gap exists between theory and practice in education. This gap poses a problem for education today. Research scholars are exploring, among other things, the cognitive and emotional development of children, the social and ethnic framework of the educational process, and the physical bases of learning. Knowledge advances along a broad front in the humanities and in the sciences, particularly the behavioral sciences; some of the most creative work crosses disciplinary lines. The existence of this new knowledge suggests that if it were properly collated, disseminated, and applied to practice, it could help solve some of the practical needs of our educational system. Research will go on, and more studies will produce knowledge that could inform practice. It is dismaying, therefore, to note how frequently the educational practitioner insists that research is useless to him. For those of us who, like the Spencer Foundation, support research, it is important to ask why, and to seek remedies.

Throughout the 1960s the federal government funded substantial programs of research in education. These funds stimulated an extensive array of worthwhile studies and led to a rethinking of fundamental educational problems on a national scale. In rationalizing the distribution of these funds the government agencies often categorized research as "basic," "applied," and "developmental." This categorization conceived of research as linear: basic research was undertaken to create new

knowledge; this was then applied to educational problems; and where practicable the synthesis was developed into products marketable to educational institutions.

A basic difficulty in applying the linear model lies in the variety of clienteles encompassed by the term *educational practitioner*. Making research findings useful to the individual classroom teacher, for example, is quite different from making them useful to a group planning national educational policy. A number of different models may well be needed to cover the many and varied relations between theory and practice. The linear model of research in education is perhaps appropriate when a technological product results from the research activity. New teaching materials, schoolroom equipment, or tested curricular sequences, for example, can be developed and utilized in a way that is analogous to the development and employment of an industrial product. But many of the major problems faced by school systems, such as conflicts arising out of differences in social values, cannot be solved by technological innovations. It is not surprising therefore, as the National Academy of Education recently pointed out, that the linear model for organizing and conceptualizing research activity is now beginning to be viewed with reservations.

Another difficulty with attempting to mold the linear model to fit the investigation of elusive but elemental issues in education is that it gives the researcher a high status and the client, as the user of innovations rather than the inventor, a low one. To be in the position of being sold goods puts the practitioner at a psychological and practical disadvantage, for as a consumer he is excluded from active participation in the development of new solutions to fundamental problems. This fact may account for a large part of the resistance to educational innovations that some observers claim is widespread.

Yet the lack of communication between the research scholar and the practitioner has other causes than the possible inappropriateness of the linear model. Doubtless the apparent uselessness of some educational research lies in the nature of the research itself and the manner in which it is reported. This is not necessarily to criticize the scholars, but to suggest that scholars and practitioners often approach educational problems from different perspectives. From the practitioner's point of view, the results of research in education have at least two serious limitations.

One is that the terms the scholar uses are often not those which the practitioner feels are important. Clearly this limitation need not be attributed to differences in values between researchers and policy-makers. It is more likely due to the need the scholar feels to define terms precisely and unambiguously, and to formulate his problems in ways that lead to scientifically reliable conclusions. A research scholar, for example, seeking to measure educational outcomes,

may select scores on standardized tests as a criterion, but the practitioner will be perhaps equally concerned with the ethical, social, or emotional effects of the school on children. In their investigations, scholars often break down complex processes into simpler units amenable to analysis and measurement. To do this requires the researcher to separate and control many of the influences of normal environments which those who actually operate the school know to be inseparable, and to ignore factors not easily measured. As a consequence, the practitioner may reject results of such research as too narrow or as inapplicable to his situation. He wants to evaluate the significance of all the variables that must shape policy; he cannot take them in relative isolation as the scholar does.

A second limitation is that scholars seldom consider the economic and political realities of the educational system. Research reported in books and scholarly journals frequently takes no account of the costs of changing educational practice. For the policy-maker, however, juggling the often conflicting demands of his constituency, there may be compelling reasons to steer clear of innovative programs whose eventual political and economic costs are at best uncertain.

The relationship between theory and practice in education is therefore rarely one of mutual satisfaction. Lines of communication are difficult to maintain, and there is no reason to believe that rearrangements within existing institutions will alter this situation. What probably is needed is an increase in the number and strength of institutions that encourage interaction between practitioners and scholars, such as the independent research firms, the consulting firms, and, in the public sector, the research and development centers, the regional educational laboratories supported by the U. S. Office of Education, and the National Institute of Education now developing. A few existing institutions, including some created to perform along the lines of the linear model, have succeeded because they adapted to an interactive model. Their success enables us now to conceptualize new institutions acting as "brokers" between the scholar and the practitioner.

The essential characteristic of such a brokerage institution is to bring the policy-maker and the scholar together for an extended period of time and to encourage them to make the problems and needs of the one and the accumulated knowledge of the other mutually comprehensible. Scholars from several disciplines, supported for this purpose, work with practitioners in the analysis and elaboration of the questions posed by decision-makers, and rework these questions into forms that can be dealt with in the scholarly world. Participants in the brokerage institutions then accumulate, from available knowledge, whatever casts light on the practical problems calling for solutions, and feed back the accumulated evidence to the

policy-makers. In the process, gaps in knowledge are frequently noted, and these encourage alert scholars to undertake research in such areas.

Brokerage institutions may involve practitioners, not as recipients of research products, but as participants in the formulation of ways to improve educational policy. An ongoing service of this sort can and often does offer the user of research findings continuous communication with those who produce them. In this way the problems of the practitioner, who will apply the results of research, are taken into account in the research process itself.

We announced in 1971, in our first annual report, that the Spencer Foundation, both by the expressed preference of its founder and the judgment of its present board and officers, would apply its resources to the support of research in the behavioral sciences aimed at the improvement of education. It is for this reason that we applaud the increasing efforts to make the results of research useful to the needs of educational practice.

H. Thomas James

Report of the Secretary

The governing body of the Spencer Foundation with policy-making powers is the board of directors. The president of the foundation serves as the chief executive officer and reports to the board of directors, as does the secretary, and the directors work with the president in formulating the program under which the foundation operates. The board meets regularly once a quarter. During the past year meetings were held in Chicago on April 21, July 21, and October 20, 1971, and January 20, 1972. In addition to handling corporate matters involving changes in by-laws, election of officers, and establishment of general policy guidelines for the operation of the foundation, the board acts upon staff recommendations for possible grants. Such items, indeed, constitute the largest and most important part of the board agenda. Before presenting a recommendation, the staff completes a thorough review of each proposal, considering budgetary and tax matters as well as program content. The directors do not approve any staff-recommended proposal routinely. Each is thoroughly discussed and voted upon individually.

Since the directors are trustees of the foundation's funds, their fiduciary responsibilities are vital. To oversee this responsibility the board has appointed a finance committee, consisting of the following directors: Harlowe E. Bowes (chairman), Frank L. Bixby, Charles Dollard, H. Thomas James, and Donald C. Platten.

FILMED FROM BEST AVAILABLE COPY

11 The board of directors through its finance committee has selected professional investment management firms to handle the investment of foundation funds, but the finance committee continually monitors the types of investments and the performance of the portfolio. During the past year the committee has held ten regular meetings but expects in the future to meet eight times a year, with special meetings called when necessary.

The administrative officers elected by the board of directors are H. Thomas James, president (who also serves as a director *ex officio*), and Marion M. Faldet, secretary. In addition the board has appointed the following officers who (as other directors) serve without compensation: Charles Dollard, chairman of the board of directors; Ralph W. Tyler, vice-chairman of the board of directors; Harlowe E. Bowes, treasurer; and Frank L. Bixby, assistant treasurer.

Procedure for Submitting a Proposal

The foundation is interested in receiving inquiries and proposals concerned with research into the behavioral aspects of education. An informal letter of inquiry or a brief preliminary proposal to the secretary will usually be sufficient to enable the staff to determine whether the proposed research falls within the program area of the foundation. Once a full proposal has been received, it is reviewed by staff and frequently by outside consultants. This review process usually takes about two weeks. Proposals receiving staff approval are presented to the board of directors for final action at their next quarterly meeting (January, April, July, or October). For a proposal to be acted upon at a given board meeting, all materials, including budget data, must be in the hands of the foundation staff by the fifteenth of the month preceding the month of the board meeting. An applicant is notified immediately after the board meeting of the action taken upon his proposal. If the grant is approved, and if so requested by the applicant, payments may begin immediately.

Many interesting and worthwhile proposals for research in the behavioral aspects of education are now being received by the Spencer Foundation. Regrettably, it is sometimes necessary to eliminate a proposal from consideration even though it appears to be well within the program area of the foundation, simply because of the limited funds available for grants and the number of good proposals with which a particular candidate must compete. Although there are specific deadlines for accumulation of materials prior to any particular board meeting, as outlined above, proposals and inquiries are welcomed by the foundation at any time during the year. These letters may be addressed to the secretary at the foundation office in Chicago.

Marion M. Faldet

The Foundation Program

The thirty-four grants described in the following pages have been approved by the directors of the Spencer Foundation during the fiscal year April 1, 1971, to March 31, 1972. The total amount of money allocated for these grants was $3,099,411; some of it is for long-range projects which will receive part of their funds in subsequent years.

The Spencer Foundation supports disciplined research in the behavioral sciences which can expand our knowledge and understanding of the problems and processes of education. For descriptive purposes, the grants are ordered into three categories. In the first category, which includes those we have been calling "seed grants," the effort has been specifically to attract young scholars from several disciplines to the study of education. Included with the seed grants are descriptions of two fellowship programs supported by the foundation.

The second category of grants, which is the largest in number, can generally be described as offering direct support of disciplined studies of projects by individual scholars or teams of scholars through the institutions with which they are affiliated. In making these grants the foundation, with the advice of consultants expert in the field of the applicant, selects the projects that are most consonant with the goals of the foundation.

Finally, the foundation has funded institutional development or change where there is clear evidence that with some

assistance an institution can increase its ability to do research in the behavioral aspects of education. There is no doubt that this type of grant is important, but it is also extraordinarily expensive. At best the foundation seeks points of leverage where institutional development or change can be initiated with relatively small funds and then show enough promise in the early stages to attract additional resources from larger foundations or the federal government.

University of California at Los Angeles	$90,000
University of Illinois at Urbana	$90,000
University of Michigan	$90,000
University of Minnesota	$90,000
University of Pennsylvania	$90,000
Claremont Colleges, California	$10,000

In each institution a senior faculty committee will make awards to young faculty with interdisciplinary backgrounds who propose to pursue the systematic study of educational problems.

International Association for the Evaluation of Educational Achievement
Stockholm, Sweden **$191,250**
Pre- and postdoctoral fellowships

The International Association for the Evaluation of Educational Achievement is an organization which undertakes educational and related research on an international scale, provides comparative data concerning educational policy and practice, and offers the means through which national research centers can undertake cooperative projects. The fellowship program initiated by this grant will give young researchers from several different countries working in disciplines related to education full access to the data and scientific resources of the IEA.

Center for Advanced Study in the Behavioral Sciences, Stanford, California **$300,000**
Visiting scholars

The Center for Advanced Study in the Behavioral Sciences has long been interested in bringing the resources of scholarship to bear on society's problems. Thus each year since 1957 they have included as fellows, scholars whose special concerns were with education, surrounding these scholars with psychologists, sociologists, economists, and other students of society whose special knowledge might throw light on such questions as how best to encourage and promote human learning. Under the terms of the grant, which supports the center's program of visiting scholars, a minimum of four places will be reserved each year for people from several disciplines who will work cooperatively on a theme of major significance to education.

Direct Support of Disciplined Studies

CHILD DEVELOPMENT AND ITS INSTITUTIONAL SETTING

Educational Testing Service, Princeton, New Jersey **$32,075**
Mother-infant relationship in the opening months of life

The most elemental human relationship is that which exists between a mother and her newborn infant. In a series of pilot studies Michael Lewis, senior research psychologist at Educational Testing Service and the principal investigator of this project, has shown that there is a connection between the maternal response to the infant's behavior and his subsequent intellectual growth. Building on this research, Dr. Lewis proposes to concentrate on the frequency, length, density, and direction of the mother-child interactions, especially as these relate to language acquisition. This work should improve our understanding of behavioral processes which may underlie the development of ethnic and social-class differences in language use, motivation, and cognitive processes.

University of Massachusetts, Boston, Massachusetts **$80,067**
Cognitive development of toddlers

Cognitive development has been the focus of much basic and applied research, with concentration on infants (less than one year of age), nursery schoolers (three- to four-year olds), and children five to eleven years old. The toddlers, from one to three years of age, have received less attention. Some of the many reasons why developmental psychologists have been less attentive to this age group are the lack of a readily available population of toddlers, the absence of effective investigatory techniques for this age group, and the important fact that toddlers are mobile, unsociable, distractable, and unconvinced of the value of research. The principal investigators of the project are Professors Marvin W. Daehler and Nancy A. Myers of the University of Massachusetts.

Harvard University, Cambridge, Massachusetts **$157,500**
Effects of day care on psychological development

The importance of day care in the United States has increased enormously in recent years and has created a parallel demand for curricula that will optimize mental and emotional growth in day care settings. The principal investigator of this project, Professor Jerome Kagan, is completing research on an infant day care project that he began several years ago. With this grant from the Spencer Foundation he will evaluate the psychological growth of an experimental group of children ranging in age from fourteen to thirty months and compare their development with two control groups. Professor Kagan has been studying these same three groups of children since their birth.

High/Scope Educational Research Foundation, Ypsilanti, Michigan **$292,050**

Effects of day care interventions

The goal of this research project is to determine whether or not preschool intervention with disadvantaged three- and four-year olds makes a difference in later school performance. In this investigation staff members of High/Scope, under the supervision of David P. Weikart, president, will gather longitudinal data on three preschool projects which took place in the Ypsilanti area during the 1960s.

University of Illinois, Chicago Circle, and Christian Action Ministry **$[illegible]3,769**

Implementation and evaluation of a Piaget-based preschool curriculum in a day care center

The day care center in which this innovative curriculum will be used is an attempt by a black community to initiate an educational program which promotes skills needed to function in the mainstream culture without abandoning or perverting community culture, style, or values. The project proposes to provide training for the children and teachers associated with it and offer observation opportunities for scholars seeking to develop teacher-training materials that can be used by other institutions.

INNOVATIVE APPROACHES TO EDUCATIONAL PROCESSES

Tufts University, Medford, Massachusetts **$24,300**

Impact of innovative schools

Innovative schools which have nongraded or open classrooms have had a definite impact on the structure and organization of elementary education in the United States. The principal investigator of this project, Leila A. Sussmann, professor of sociology at Tufts University, will study ten elementary schools. Building on the results of a recently completed study, Professor Sussmann intends to explore the changes that have occurred in the organization and functioning of elementary schools as a result of the introduction of such innovations. She will analyze the implications of these changes from a sociological point of view.

Stanford University, Stanford, California **$3,000**

Analytical study of British infant and primary schools

The British infant and primary schools have been cited frequently in the United States as a possible model for reforming our system of elementary education. The principal investigator in this research project, Professor Elliot W. Eisner, will approach this problem comparatively, by relating the characteristics of the British schools to the problems and practices of United States educational institutions.

DePauw University, Greencastle, Indiana **$14,112**

Biofeedback: the voluntary control of the autonomic processes

Research in the field of biofeedback lies on the frontier of the behavioral sciences. This research project, conducted by Drs. B. L. Garrett and Michael P. Silver, will investigate several aspects of the training necessary for voluntary control of basic human processes, such as the rate of heart beat, blood pressure, perspiration, and pupil dilation. Drs. Garrett and Silver will seek to define the possible uses of such control in stressful situations (such as examinations) and in coping with minor anxiety.

Marquette University, Milwaukee, Wisconsin **$24,000**

Open admission

Institutions of higher learning must somehow respond to the diverse social pressures which are being exerted upon the traditional policies of admission into colleges and universities. One answer is open admissions, but this policy can create many and diverse problems. Another possibility is being explored by Marquette University through its alternative to open admissions. Highly motivated and potentially able students are selected from among the academically "high-risk" applicants. The university has complemented this policy with a willingness to alter the standard course load while simultaneously providing noncredit compensatory course work. Dr. David Herron will direct his research toward a clarification of some of the controversial issues in open admissions and compare the Marquette experience with that of an open admissions plan at St. Louis University.

Hadley School for the Blind, Winnetka, Illinois **$65,000**

Intellectual independence for the blind

The Hadley School for the Blind is developing a PRELUDE project to foster intellectual independence for the blind. In the PRELUDE courses the emphasis will be on teaching a blind person the basic skills necessary for living a meaningful life in a sighted society without requiring their presence on the Hadley campus. Interpretative evaluation of the project will focus on the degree to which new skills, higher levels of individual competence, and greater feelings of personal adequacy have been achieved, and on the relative value of various study materials and factors in the teaching method.

University of Colorado, Boulder, Colorado **$18,200**
Fellowships to Mountain View Center for Environmental Education

The Mountain View Center for Environmental Education is engaged in an effort to create a new kind of institution in elementary education. Its primary function is to provide in-service support and education for teachers. Based on the belief that solid progress can come only through their professional experimentation and growth, the center helps stimulate such growth and makes its results visible. The center is increasing the number of teachers and researchers involved in their work, expecting them to return to their previous jobs to try the new ideas.

Children's Television Workshop, New York, New York **$51,190**
Training of "formative" researchers

Children's Television Workshop, the producers of Sesame Street and The Electric Company, are working on a project of training "formative" researchers in the area of instructional television. The aim of the grant is to train researchers to investigate systematically the process of planning and production of educational materials, and the system of early testing and rapid feedback of information that allows modification of methods and materials before their mass production and distribution.

PRECOCIOUSNESS AND ITS PROBLEMS

Johns Hopkins University, Baltimore, Maryland **$266,100**
Identification and development of programs for scientifically and mathematically precocious students

In this study Professor Julian C. Stanley will begin by selecting a group of mathematically and scientifically talented students. Working with the assistance of their parents and teachers, he will then determine what combination of procedures will most benefit the student academically, emotionally, and socially. Cooperative arrangements with colleges in the Baltimore area will make it possible to devise mixed strategies of academic curriculum intended to maximize achievement, minimize boredom and wasted time, and promote the personal development of each student.

HIGHER AND ADULT EDUCATION

University of Notre Dame, Notre Dame, Indiana **$28,900**

Legal education and the professionalization of law students

One of the characteristics of modern America is that the educational process is prolonged to provide extensive training for advanced students. The academic content of these studies is frequently debated, but there has been little systematic investigation of the educational process itself at this level. In this research project, which will be directed by Thomas L. Shaffer, dean of law at Notre Dame, and Dr. Robert S. Redmount of Hamden, Connecticut, the goal is to provide an empirical base from which to make the process of legal instruction more efficient and humane and to direct it to education for community leadership. Together with a psychologist and research assistants, Shaffer and Redmount will conduct on-site recording, interviews, and testing sessions at several law schools. A cross-section of teachers, students, and alumni will be sampled and correlation studies completed.

Wesleyan University, Middletown, Connecticut **$45,695**

Enduring effects of education on the knowledge and values of adults

The enduring effects of education on the knowledge and values of adults is of profound concern to behavioral scientists who seek to understand the ways of mankind, and to statesmen who shape the policies of institutions and governments. In this research project the principal investigator, Herbert H. Hyman, a noted professor of sociology, will utilize as his source of data the secondary analysis of sample surveys. Secondary analysis is the extracting of findings on topics other than those which were the primary focus of the original inquiry.

University of Illinois, Urbana, Illinois **$21,652**

Investment in higher education

From an economic point of view, investment in higher education is one of the major capital outlays in the American economy. The central purpose of this research, conducted by Walter W. McMahon, is to apply some recent developments in the economic theory of human resources and investment decisions to the analysis of influences on household and governmental investment decisions in "human capital." In his research Professor McMahon will focus on constructing and testing sophisticated statistical models of both private and public investment.

INTERFERING FACTORS IN THE EDUCATIONAL PROCESS

Alternatives, Inc., Chicago, Illinois **$19,800**

Drug abuse among high school students

Alternatives, Inc., is a not-for-profit organization which operates a creative drug abuse program for high school students on the north side of Chicago. Although practically oriented, Alternatives, Inc., has a highly developed research program which is fully integrated into its daily operation. Dr. Eric Schaps, the president of Alternatives, Inc., and research associate/assistant professor in the Department of Psychiatry at the University of Chicago, is coordinating the research in three main areas: first, continuing and expanding previous investigations into the interpersonal dynamics involved in the spread of drug abuse among adolescents; second, comparing the long-term effects of several different programs of drug abuse education for junior high and grammar school students; and third, evaluating their program as a possible model for other communities facing serious adolescent drug problems.

University of Texas, El Paso, Texas **$63,700**

Ethnic group relationships and conflicts in southwestern United States

A grant has been made to the University of Texas at El Paso for a cross-cultural investigation of ethnic group relationships and conflicts in the Southwest. This cross-cultural investigation, under the direction of Professors Jacob Ornstein and Z. Anthony Kruszewski, is based on the belief that the generally poor results of so many programs to help ethnic minorities are due largely to their unrealistically short scope and limited span of activities. Consequently, they plan a six-year project which, with the initial support of the Spencer Foundation, will first carry out research on southwestern regional ethnic groups, and later develop and implement curricular materials for use in colleges and universities in the area. The researchers will seek to avoid the narrow perspective of studies limited to "disadvantagedness," and will focus instead on interethnic relationships, including "anti-Angloism" and frictions among the minorities themselves.

San Francisco State College, San Francisco, California **$11,000**
Educational problems of the culturally different

Numerous problems for both individuals and groups arise when institutions for culturally different minorities are administered by persons from the majority culture, or when culturally different persons encounter situations foreign to them. In this research project, Professor John Collier, Jr. will use motion picture film to record and analyze comparatively the educational setting of Navajo reservation schools, Spanish-American schools in New Mexico, and San Francisco inner-city schools. The research will help provide answers for some of the basic problems of educating culturally different children.

Luther College, Decorah, Iowa **$13,000**
Rural youth migration

The outmigration of youth from rural areas is well documented. A common explanation is that the relative decline in rural economic opportunities forces young job-seekers out of the countryside and into metropolitan areas. Yet not all rural youth leave. This research project, directed by Drs. Edgar V. Epperly and Kenneth A. Root, seeks to ascertain traits or qualities in individuals which can be used to predict migration. The investigators will evaluate the relative importance of such factors as family size, parental attitudes, education, and ethnic background.

Johns Hopkins University, Baltimore, Maryland **$96,000**
Identification and instruction of children with reading disability

The ability to read is one of the most fundamental skills necessary for satisfactory progress in the educational system. Dr. John T. Guthrie, in this investigation, will attempt to find ways to teach children with normal or above-average intelligence who have serious reading problems. Once the children have been identified and examined by a number of professionals from several disciplines, they will be admitted to the Kennedy School for a year or more; the children then will enter public schools where their progress will be closely watched. In his work, Dr. Guthrie will use contemporary psycholinguistic models of reading to develop teaching procedures.

MISCELLANEOUS

Harvard University, Cambridge, Massachusetts **$150,000**
The scientific revolution and its consequences for man

The development of natural science has had a profound influence on the historical evolution of the behavioral and social sciences. These sciences, as well as political and social theories, have been strongly conditioned by the thought and models of the natural sciences. Therefore, in order to understand many central aspects of modern thought and doctrine, it is important to understand not merely the development of the natural sciences in general, but the state of the natural sciences at the time in which important and still influential social theories of the past were actually formulated. In this research project Professor I. Bernard Cohen will trace these changing concepts and methods of science and scientific views of the universe.

Newberry Library, Chicago, Illinois **$34,250**
Feasibility of a Center for the Study of the Family in Historical Perspective

The Newberry Library proposes to explore the feasibility and possible utility of a Center for the Study of the Family in Historical Perspective, which would serve as a locus of education, research, synthesis, and publication in an important branch of historical research. The director of the Newberry Library, Lawrence W. Towner, will use the funds to support two summer graduate and postdoctoral seminars dealing with the quantitative analysis of the family in historical perspective and to initiate and sustain for two years a postdoctoral colloquium of Chicago area scholars working in the field of family history from different disciplinary perspectives. Jointly funding the program is the Committee on Institutional Co-operation, with matching funds from the Sponsors of the Newberry Library.

National Society for the Study of Education, Los Angeles, California **$6,800**
Conference

The National Society for the Study of Education will hold a prepublication conference for their 1974 yearbook on the sociology of education. Previous yearbooks dealing with aspects of education have played important roles in focusing research on particular problem areas, and the proposed 1974 yearbook should make significant advances in the sociological analysis of educational problems. This grant will therefore contribute to the excellence of both the individual papers and the total volume, and also generate creative work on the application of sociology to the practice and theory of education.

Institutional Development

23

Roosevelt University, Chicago, Illinois **$250,000**

Research capacity for its new College of Education

Roosevelt University is well known for its services to the Chicago area, particularly in addressing the needs of such atypical college students as members of minority groups, commuting students, and adults. With this grant from the Spencer Foundation, Roosevelt plans to develop a research capability in its newly organized College of Education. The research, which will be oriented to the behavioral sciences, will be utilized by the College of Education to discover and meet the special needs of atypical students, especially adults.

Princeton University, Princeton, New Jersey **$330,000**

New Program in Neuroscience and Behavior

Behaviorists and neuroscientists are well aware that their future findings promise to have a profound impact upon mankind. However, it is clear that this basic new knowledge will be the product of joint, not isolated, efforts by neuroscientists and biologists, psychologists, and chemists. This grant to implement Princeton's new Program in Neuroscience and Behavior will be used to support postdoctoral fellows and graduate students as they move personally among the disciplines related to Neuroscience and Behavior. The distribution of funds will be supervised by J. T. Bonner, chairman, Department of Biology, and S. Glucksberg, Department of Psychology.

Auditor's Report

To the Board of Directors of
The Spencer Foundation:

We have examined the statement of net assets and fund balance of THE SPENCER FOUNDATION (an Illinois corporation organized not for profit) as of March 31, 1972, and the related statements of income and expense and changes in fund balance for the year then ended and the supplementary statement of investments held. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying financial statements present fairly the net assets and fund balance of The Spencer Foundation as of March 31, 1972, and its income and expense and changes in fund balance for the year then ended, and the supplementary statement presents fairly the information set forth therein, all in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

ARTHUR ANDERSEN & CO.

Chicago, Illinois
May 18, 1972.

Statement of Net Assets and Fund Balance — March 31, 1972

25

Net Assets		
Cash:		
Held by custodians for investment purposes	$ 1,429,136	
Held in savings account	378,744	
General funds	87,700	$ 1,895,580
Investments, at Quoted Market (Cost-$69,663,648) (Notes 1 and 2)		82,201,298
Other Assets:		
Receivable from brokers for investments sold	$ 1,844,410	
Accrued interest and dividends on investments	212,437	
Furniture and leasehold improvements, at cost, less accumulated depreciation and amortization of $9,861	56,439	2,113,286
		$86,210,164
Deduct:		
Payable to brokers for investments purchased	$ 3,106,990	
Accounts payable and accrued expenses	57,648	3,164,638
Net assets		$83,045,526
Fund Balance		
Principal (Note 5)	$72,882,813	
Accumulated Deficit (Note 5)	(2,374,937)	
Unrealized Appreciation on Investments (Notes 1 and 2)	12,537,650	$83,045,526

The accompanying notes are an integral part of this statement.

Statement of Income and Expense — Year Ended March 31,1972

Income:		
Dividends		$ 695,533
Interest		203,301
Total Income		$ 898,834
Expense:		
Investment expense—		
Investment management fees	$ 148,833	
Custodian bank fees	14,471	$ 163,304
Administrative expense—		
Salaries and fringe benefits	$ 139,820	
Professional services	45,979	
Rent	29,532	
Travel	16,394	
Telephone	5,697	
Directors' expenses	5,669	
Depreciation and amortization	5,132	
Office supplies	4,085	
Payroll taxes	2,939	
Membership fees	2,825	
Printing	2,637	
Insurance	2,403	
Other	5,870	268,982
Total expense		$ 432,286
Excess of income over expense before Federal excise tax		$ 466,548
Federal Excise Tax on Net Investment Income (Note 2)		27,300
Excess of Income Over Expense		$ 439,248

The accompanying notes are an integral part of this statement.

Statement of Changes in Fund Balance Year Ended March 31,1972

27

	Principal (Note 5)	Accumulated Deficit (Note 5)	Unrealized Appreciation of Investments	Total
Balance, March 31, 1971	$43,272,813	$(2,210,113)	$ 3,266,597	$44,329,297
Excess of income over expense	—	439,248	—	439,248
Grants paid	—	(1,083,670)	—	(1,083,670)
Gain (loss) on sale of investments (Notes 1 and 2)	—	479,598	—	479,598
Increase in unrealized appreciation of investments (Notes 1 and 2)	—	—	9,271,053	9,271,053
Distributions received from estate (Note 3)—				
International Business Machines Corporation common stock	27,820,000	—	—	27,820,000
Cash	1,790,000	—	—	1,790,000
Balance, March 31, 1972	$72,882,813	$(2,374,937)	$12,537,650	$83,045,526

The accompanying notes are an integral part of this statement.

(1) The cost of investment securities represents (a) the amount paid for securities purchased, (b) quoted market at date of receipt for securities contributed, or (c) the Federal estate tax return basis for securities received as legatee (see Note 3). Realized gains or losses are determined by comparison of cost, determined on a first-in, first-out basis, to proceeds. Unrealized appreciation or depreciation is determined by comparison of the market value to cost. Below is a summary of costs and quoted market amounts:

	Cost	Quoted Market
U.S. Treasury bills	$ 447,340	$ 447,340
Short-term corporate promissory notes	249,854	249,854
Corporate bonds	6,741,714	6,725,625
Convertible subordinated debentures	2,821,450	3,295,125
Preferred stocks	758,500	973,750
Common stocks	58,644,790	71,029,604
	$69,663,648	$82,721,298
Less—Estimated Federal excise tax on unrealized appreciation (Note 2)		520,000
		$82,201,298

(2) In 1971, the Foundation became subject to Federal excise taxes under the Tax Reform Act of 1969. The financial statements reflect the excise tax payable on net investment income of $27,300. Also, realized gains on investments have been reduced by an excise tax payable of $17,800. In addition, the quoted market value of investments and the unrealized appreciation on investments have been reduced by $520,000 as of March 31, 1972 (including $130,000 applicable to prior years), which represents the estimated applicable excise taxes which would become payable if the unrealized appreciation would be realized.

(3) The Foundation is the residuary legatee under the will of Mr. Lyle M. Spencer, deceased. In this capacity the Foundation received principal distributions from this estate during the year ended March 31, 1972, consisting of 80,000 shares of IBM common stock which was recorded at the Federal estate tax return basis of $27,820,000 and $1,790,000 in cash.

Additional shares of IBM, together with certain other assets with a Federal estate tax return basis of approximately $6,000,000 at March 31, 1972, were held by the estate. These assets were held as a reserve pending the final determination of the Federal estate tax liability which is now in dispute and some part or all of this reserve may be available for future distribution to the Foundation.

(4) The Foundation has outstanding authorized but unpaid grants totaling $2,479,240 to 28 grantees as of March 31, 1972. The foregoing grants are payable as follows:

Fiscal year ending March 31	
1973	$1,090,100
1974	822,450
1975	361,970
1976	116,470
1977	63,250
1978	25,000
	$2,479,240

Payments may be accelerated upon mutual agreement between the Foundation and the grantees.

In April, 1972, the Board of Directors authorized additional grants aggregating approximately $2,697,000 to 7 other grantees.

(5) As of March 31, 1972, the accumulated deficit was comprised of the following accounts:

	From Inception to Mar. 31, 1971	Fiscal 1972	From Inception to Mar. 31, 1972
Excess of income over expense	$ 165,303	$ 439,248	$ 604,551
Grants paid	(887,607)	(1,083,670)	(1,971,277)
Gain (loss) on sale of investments	(1,487,809)	479,598	(1,008,211)
Total accumulated deficit	$(2,210,113)	$ (164,824)	$(2,374,937)

The principal and accumulated deficit accounts as of March 31, 1971, which are included in the fund balance total, have been reclassified by $440,721 from amounts previously reported in order to reflect certain prior years' transactions (primarily grants made in kind with investment securities) as charges to accumulated deficit rather than principal. This reclassification had no effect on the total fund balance as of March 31, 1971, or on the fund balance transactions previously reported for the year ended March 31, 1971.

Statement of Investments Held — March 31,1972

Shares or Principal Amount	Cost	Quoted Market
U.S. Treasury Bills		
450,000 Treasury Bills May 11, 1972	$ 447,340	$ 447,340
Short-Term Corporate Promissory Note		
250,000 Sears, Roebuck Acceptance 3% April 4, 1972	$ 249,854	$ 249,854
Corporate Bonds		
500,000 American Cyanamid 7⅜% April 15, 2001	$ 510,625	$ 515,000
500,000 American Telephone & Telegraph 7% February 15, 2001	488,750	485,000
500,000 Associated Dry Goods 7⅛% February 1, 1996	495,000	490,000
500,000 Beneficial Finance 7½% November 1, 1996	505,000	505,000
500,000 Florida Power and Light 6% December 1, 1996	427,500	431,250
500,000 Ford Motor Credit 7½% November 15, 1991	503,750	501,250
500,000 General Motors Acceptance 7¼% March 1, 1995	496,875	498,750
500,000 Kansas Gas and Electric 7⅜% March 1, 2002	496,250	496,250
500,000 Kennecott Copper 7⅞% May 1, 2001	514,375	510,625
500,000 New York Telephone 7⅜% December 15, 2011	503,750	499,375
500,000 Owens-Illinois 7⅝% April 1, 2001	513,345	513,125
500,000 Shell Oil 7¼% February 15, 2002	506,250	503,125
300,000 Transcontinental Gas Pipe Line 6¾% May 1, 1988	275,244	273,750
500,000 F. W. Woolworth 7⅜% April 1, 1996	505,000	503,125
Total Corporate Bonds	$ 6,741,714	$ 6,725,625

Shares or Principal Amount		Cost	Quoted Market
Convertible Subordinated Debentures			
500,000	Chase Manhattan 6½% July 1, 1996	$ 500,000	$ 573,750
250,000	Equity Funding 5½% December 1, 1991	250,000	298,750
118,000	Farah Manufacturing 5% February 1, 1994	141,600	97,350
250,000	Host International 5¼% April 15, 1994	235,350	260,000
505,000	Jim Walter 5¾% January 15, 1991	505,000	520,150
100,000	Kaufman & Broad 6% December 1, 1995	105,375	169,000
300,000	Lomas & Nettleton Financial 5½% June 1, 1991	300,000	382,500
100,000	McCulloch Oil 5% January 15, 1997	101,875	121,000
50,000	McDonald's 4½% July 15, 1996	50,000	67,000
100,000	Melville Shoe 4⅞% June 1, 1996	100,000	128,000
175,000	Pepsico 4¾% August 1, 1996	194,250	221,375
200,000	Southland 5½% March 15, 1989	221,000	296,000
100,000	Xerox 6% November 1, 1995	117,000	160,250
Total Convertible Subordinated Debentures		$ 2,821,450	$ 3,295,125

Shares or Principal Amount		Cost	Quoted Market
Preferred Stocks			
10,000	Norton Simon $1.60	$ 530,000	$ 673,750
4,000	Ocean Drilling & Exploration 6%	228,500	300,000
Total Preferred Stocks		$ 758,500	$ 973,750
Common Stocks			
Building & Real Estate			
15,800	Fleetwood Enterprises	$ 309,224	$ 663,600
4,587	Georgia Pacific	222,014	211,002
9,200	Kaufman & Broad	204,497	420,900
18,750	McCulloch Oil	349,582	625,781
10,000	Rouse	225,750	283,750
17,000	B. F. Saul Real Estate	367,875	444,063
5,000	Skyline	182,198	322,500
Business & Office Equipment			
2,000	Digital Equipment	141,129	181,500
87,610	International Business Machines	30,466,378	33,488,923
40,500	Rank Organisation, ADR, Ordinary A	845,125	1,199,813
2,500	Xerox	222,575	353,750
Communications			
17,000	American Broadcasting	580,689	1,245,250
Consumer & Business Services			
4,800	Automatic Data Processing	251,631	409,200
6,700	H. & R. Block	200,549	176,713
15,000	Browning Ferris	347,341	513,750
5,100	Electronic Data Systems	272,760	306,000
9,200	Emery Air Freight	254,134	440,450
11,500	Extendicare	219,485	316,250
12,000	Flying Tiger	274,500	381,000
12,000	Globe Security Systems	287,652	318,000
6,100	Marlennan	318,626	384,300
6,000	Merrill, Lynch, Pierce, Fenner & Smith	248,749	267,000
8,200	Peterson, Howell & Heather	206,800	274,700
2,800	Pinkerton's, Class B	207,575	236,600
12,000	Rollins	225,961	399,000
6,500	Ryder System	256,750	466,375
8,000	Western Union International	355,185	303,000
Cosmetics & Toiletries			
1,800	Avon Products	142,326	207,000
Container			
15,000	Continental Can	450,975	457,500

Shares or Principal Amount		Cost	Quoted Market
Diversified			
10,800	International Telephone & Telegraph	635,112	615,600
10,250	Litton Industries	254,546	194,750
Electronic & Electrical Equipment			
4,700	General Electric	250,535	303,738
13,000	RTE	201,157	143,000
2,000	Texas Instruments	244,416	264,000
8,000	Westinghouse Electric	262,014	382,000
Energy Related			
3,500	Atlantic Richfield	259,454	222,250
6,000	Kerr-McGee	214,966	301,500
8,500	MAPCO	250,059	370,813
6,000	Williams	250,624	269,250
Entertainment & Leisure			
1,528	Walt Disney Productions	120,948	242,952
6,000	Hyatt	174,000	222,750
16,350	Marriott	246,850	551,812
8,000	McDonald's	294,881	774,000
4,200	Milton Bradley	216,991	259,350
Forest Products			
25,000	Mead	453,370	465,625
5,000	Weyerhaeuser	251,560	246,875
Health Products & Services			
10,000	Cutter Laboratories, Class A	368,887	372,500
10,000	Upjohn	515,908	845,000
9,700	Warner-Lambert	707,017	812,375
Insurance			
30,000	American General Insurance	679,209	675,000
17,800	Colonial Penn Group	536,250	867,750
3,400	Combined Insurance of America	118,500	112,625
700	General Reinsurance	137,190	297,500
8,000	Liberty National Life Insurance	265,500	268,000
7,000	Old Republic International	196,000	266,875
8,500	Pennsylvania Life	226,475	320,875
20,000	Travelers	646,656	852,500
Investment Companies			
29,929	Rowe Price New Horizons Fund	759,251	1,283,979
Machinery & Metal Products			
4,100	Black & Decker Manufacturing	224,828	359,262
3,900	Joy Manufacturing	246,181	254,475

Shares or Principal Amount	Cost	Quoted Market
Manufacturing		
4,000 Heublein	208,699	200,000
Merchandising		
7,600 S. S. Kresge	545,806	839,800
4,700 Levitz Furniture	284,505	701,475
4,500 Long's Drug Stores	237,505	343,125
2,700 Melville Shoe	152,679	195,412
3,800 J. C. Penney	278,729	283,575
20,000 Sony	404,227	650,000
6,558 Southland	142,075	230,350
7,400 Standard Brands Paint	274,521	361,675
Metals & Mining		
15,000 Aluminum of America	555,593	746,250
8,000 Hanna Mining	469,702	438,000
15,000 Kaiser Steel	364,375	232,500
4,900 Utah International	278,320	327,687
Miscellaneous		
3,625 American Greetings, Class A	94,953	229,281
9,000 Avery Products	266,941	254,250
3,500 Blue Bell	177,431	175,000
6,100 Eastern Gas & Fuel Associates	212,027	192,912
8,500 Economics Laboratories	254,563	286,875
8,688 MGIC Investment	422,838	987,174
4,500 Marley	280,590	340,875
4,200 National Chemsearch	188,080	292,950
4,000 Ralston Purina	157,541	164,500
Oil & Gas		
10,000 Mobil Oil	501,280	513,750
20,000 Phillips Petroleum	616,479	547,500
1,500 Schlumberger	184,384	245,250
7,500 Suburban Propane Gas	261,647	293,437
1,300 Superior Oil	277,190	310,050

Shares or Principal Amount	Cost	Quoted Market
Photographic		
3,700 Polaroid	290,554	458,800
Textile & Apparel		
20,000 Burlington Industries	721,288	767,500
5,000 Cannon Mills, Class B	496,300	477,500
Transportation		
4,000 Delta Air Lines	196,598	225,500
Total Common Stocks	$58,644,790	$71,029,604
Total Investments	$69,663,648	$82,721,298

List of Grants **As of March 31,1972**

Grantee	Appropriated During Fiscal Year	Payments During Year	Unpaid Balance End of Year
Alternatives, Inc. Chicago, Illinois	$ 19,800	$ 9,900	$ 9,900
University of California at Los Angeles Los Angeles, California	90,000	30,000	60,000
Center for Advanced Study in the Behavioral Sciences Stanford, California	300,000	—	300,000
University of Chicago Chicago, Illinois $90,000-1971	—	30,000	30,000
Children's Television Workshop New York, New York	51,190	51,190	—
Claremont Colleges Claremont, California	10,000	10,000	—
University of Colorado/Mountain View Center for Environmental Education Boulder, Colorado	18,200	18,200	—
DePauw University Greencastle, Indiana B. L. Garrett and Michael P. Silver	14,112	14,112	—
Educational Testing Service Princeton, New Jersey Michael Lewis	32,075	16,000	16,075
Hadley School for the Blind Winnetka, Illinois	65,000	20,000	45,000
Harvard University Cambridge, Massachusetts Jerome Kagan	157,500	50,000	107,500
Harvard University Cambridge, Massachusetts I. Bernard Cohen	150,000	—	150,000
Harvard University Cambridge, Massachusetts $90,000-1971	—	30,000	30,000

Grantee	Appropriated During Fiscal Year	Payments During Year	Unpaid Balance End of Year
High/Scope Educational Research Foundation Ypsilanti, Michigan	292,050	97,350	194,700
University of Illinois Urbana, Illinois Walter W. McMahon	21,652	21,652	—
University of Illinois and Christian Action Ministry Chicago, Illinois	43,769	43,769	—
University of Illinois Urbana, Illinois	90,000	30,000	60,000
International Association for the Evaluation of Educational Achievement Stockholm, Sweden	191,250	—	191,250
Johns Hopkins University John F. Kennedy Institute Baltimore, Maryland John T. Guthrie	96,000	—	96,000
Johns Hopkins University Baltimore, Maryland Julian C. Stanley	266,100	53,220	212,880
Luther College Decorah, Iowa Edgar V. Epperly and Kenneth A. Root	13,000	13,000	—
Marquette University Milwaukee, Wisconsin	24,000	12,000	12,000
University of Massachusetts Boston, Massachusetts Marvin W. Daehler and Nancy A. Myers	80,067	26,907	53,160
University of Michigan Ann Arbor, Michigan	90,000	30,000	60,000

Grantee	Appropriated During Fiscal Year	Payments During Year	Unpaid Balance End of Year
University of Minnesota Minneapolis, Minnesota	90,000	30,000	60,000
National Academy of Education New York, New York $163,500-1971	—	54,500	109,000
National Society for the Study of Education Los Angeles, California	6,800	6,800	—
Newberry Library Chicago, Illinois	34,250	17,125	17,125
Northwestern University Evanston, Illinois $90,000-1971	—	30,000	30,000
University of Notre Dame Notre Dame, Indiana Thomas L. Shaffer and Robert S. Redmount	28,900	28,900	—
University of Pennsylvania Philadelphia, Pennsylvania	90,000	30,000	60,000
Princeton University Princeton, New Jersey	330,000	82,500	247,500
Roosevelt University Chicago, Illinois	256,000	45,000	211,000
San Francisco State College San Francisco, California John Collier, Jr.	11,000	11,000	—
Stanford University Stanford, California $90,000-1971	—	30,000	30,000
Stanford University Stanford, California Elliot W. Eisner	3,000	3,000	—
University of Texas El Paso, Texas Jacob Ornstein and Z. Anthony Kruszewski	63,700	31,850	31,850

Grantee	Appropriated During Fiscal Year	Payments During Year	Unpaid Balance End of Year
Tufts University Medford, Massachusetts Leila A. Sussmann	24,300	—	24,300
Wesleyan University Middletown, Connecticut Herbert H. Hyman	45,695	45,695	—
University of Wisconsin Madison, Wisconsin $90,000-1971	—	30,000	30,000